

News Release

23 March 2023

Let's talk about Generation X

Despite the oldest members of Generation X being only seven years away from being able to collect a pension, only a third of Gen Xers say they are planning to stop work at 65.

"If that isn't a stark reminder of our age, then I don't know what is," says fellow Gen Xer and ANZ NZ Managing Director for Funds Management Fiona Mackenzie.

"These things do tend to sneak up on us and all of a sudden we're talking about retirement. It can be a bit overwhelming, particularly if you feel like things aren't on track as you'd imagined they would be."

Using the group aged 45-54 as a proxy for Generation X, ANZ Investments asked at what age they expect to stop full-time paid work and retire.

- 35 per cent said they will retire between 65 and 69.
- 16 per cent said they plan to give up full time work in their 70s.
- 2 per cent expect to work into their 80s.
- 3 per cent said they will never retire.

However some said they intend retiring from full-time paid work before 65.

- 9 per cent expect to retire before the age of 60.
- 10 per cent said they expect to retire between the age of 60 and 64.

The survey results also showed a quarter of respondents aged 45 – 54 said they weren't sure when they would retire, because there are too many factors to consider.

"The way we have traditionally thought about retirement is changing" says Ms Mackenzie. "We are living a lot longer, and more people are working beyond the official retirement age of 65."

"For some this is out of necessity, but for many working into their late sixties and even seventies this is a lifestyle choice."

She says there is no magic number people need to have saved to retire, the amount will be different for each of us.

"It is really important for people to check in and get an idea of what that number is for them. That will help them create a plan for what they need to do to reach that goal."

ANZ Investments contacts its KiwiSaver members at 64 and again just before they turn 65 to encourage them to review their plans for retirement.

The researchers also talked to people who have already retired, asking them whether they retired earlier or later than planned, and why. The number one reason for retiring earlier than planned was for health reasons.

Among those who retired later than planned, 52 per cent said they had wanted to keep working part time and 19 per cent said they wanted to keep working full time.

“Unfortunately 25 per cent of people who had retired later than planned said it was because they didn’t have enough money to retire comfortably,” Ms Mackenzie says.

“We hope the survey results will help more people to think about what sort of lifestyle they’d like to have after 65 and whether they are on track to achieve it.

“Even for the oldest members of Gen X there is a lot they can do before they reach 65.

“These tend to be very financially productive years, and even if you are planning to keep working beyond 65, it is a good reminder to stay focussed.”

Are you on track? Three things for Gen X to check:

- Work out where you’re at – using a KiwiSaver calculator will help you work out how much you are likely to have saved by retirement, how much you might need and whether you’re on track.
- Check you’re in the right fund for you – this will depend on your age, your desired level of potential returns, and how comfortable you feel with experiencing ups and downs in your KiwiSaver savings.
- Consider increasing your employee contributions if you can, or make voluntary contributions to help grow your KiwiSaver savings. If you are aged 18 – 64 and contribute up to \$1042.86 annually you are generally eligible for a matching Government contribution of up to \$521.43.

The findings of the survey by Horizon Research are based on an online survey of 1,632 respondents, representing the New Zealand population, aged 18 years and older. There is a margin of error on the overall sample of plus or minus 2.4 per cent.

For media enquiries contact: Tony Field 021 2203152 or tony.field@anz.com

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